

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	0

MR. SPEAKER:

*Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1811, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-10-8-6.5 IS ADDED TO THE INDIANA CODE
- 4 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 5 1, 1999]: **Sec. 6.5. (a) A member of the general assembly may elect**
- 6 **to participate in either:**
- 7 (1) the plan of self-insurance established by the state police
- 8 department under section 6 of this chapter;
- 9 (2) the plan of self-insurance established by the state
- 10 personnel department under section 7 of this chapter; or
- 11 (3) a prepaid health care delivery plan established under
- 12 section 7 of this chapter.
- 13 **(b) A former member of the general assembly who meets the**
- 14 **criteria for participation in a group health insurance program**
- 15 **provided under section 8(e) or 8.1 of this chapter may elect to**
- 16 **participate in either:**

- 1 **(1) the plan of self-insurance established by the state police**
 2 **department under section 6 of this chapter; or**
 3 **(2) a group health insurance program provided under section**
 4 **8(e) or 8.1 of this chapter if the former member meets the**
 5 **criteria for participation in that program.**

6 SECTION 2. IC 27-1-18-2 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Every insurance
 8 company not organized under the laws of this state, and each domestic
 9 company electing to be taxed under this section, and doing business
 10 within this state shall, on or before March 1 of each year, report to the
 11 department, under the oath of the president and secretary, the gross
 12 amount of all premiums received by it on policies of insurance
 13 covering risks within this state, or in the case of marine or
 14 transportation risks, on policies made, written, or renewed within this
 15 state during the twelve (12) month period ending on December 31 of
 16 the preceding calendar year. From the amount of gross premiums
 17 described in this subsection shall be deducted:

- 18 (1) considerations received for reinsurance of risks within this
 19 state from companies authorized to transact an insurance business
 20 in this state;
 21 (2) the amount of dividends paid or credited to resident insureds,
 22 or used to reduce current premiums of resident insureds;
 23 (3) the amount of premiums actually returned to residents on
 24 account of applications not accepted or on account of policies not
 25 delivered; and
 26 (4) the amount of unearned premiums returned on account of the
 27 cancellation of policies covering risks within the state.

28 (b) A domestic company shall be taxed under this section only in
 29 each calendar year with respect to which it files a notice of election.
 30 The notice of election shall be filed with the insurance commissioner
 31 and the commissioner of the department of state revenue on or before
 32 November 30 in each year and shall state that the domestic company
 33 elects to submit to the tax imposed by this section with respect to the
 34 calendar year commencing January 1 next following the filing of the
 35 notice. The exemption from license fees, privilege, or other taxes
 36 accorded by this section to insurance companies not organized under
 37 the laws of this state and doing business within this state which are
 38 taxed under this chapter shall be applicable to each domestic company

in each calendar year with respect to which it is taxed under this section. In each calendar year with respect to which a domestic company has not elected to be taxed under this section it shall be taxed without regard to this section.

~~(c)(1)~~ (c) For the privilege of doing business in this state, every insurance company required to file the report provided in this section shall pay into the treasury of this state an amount equal to ~~two percent~~ ~~(2%)~~ of the excess, if any, of the gross premiums over the allowable deductions **multiplied by the following rate for the year that the report covers:**

(1) For 1999, two percent (2%).

(2) For 2000, one and nine-tenths percent (1.9%).

(3) For 2001, one and eight-tenths percent (1.8%).

(4) For 2002, one and seven-tenths percent (1.7%).

(5) For 2003, one and six-tenths percent (1.6%).

(6) For 2004 and thereafter, one and five-tenths percent (1.5%).

~~(c)(2)~~ (d) Payments of the tax imposed by this section shall be made on a quarterly estimated basis. The amounts of the quarterly installments shall be computed on the basis of the total estimated tax liability for the current calendar year and the installments shall be due and payable on or before April 15, June 15, September 15, and December 15, of the current calendar year.

~~(c)(3)~~ (e) Any balance due shall be paid in the next succeeding calendar year at the time designated for the filing of the annual report with the department.

~~(c)(4)~~ (f) Any overpayment of the estimated tax during the preceding calendar year shall be allowed as a credit against the liability for the first installment of the current calendar year.

~~(c)(5)~~ (g) In the event a company subject to taxation under this section fails to make any quarterly payment in an amount equal to at least:

(i) (1) twenty-five percent (25%) of the total tax paid during the preceding calendar year; or

(ii) (2) twenty percent (20%) of the actual tax for the current calendar year;

the company shall be liable, in addition to the amount due, for interest in the amount of one percent (1%) of the amount due and unpaid for

1 each month or part of a month that the amount due, together with
2 interest, remains unpaid. This interest penalty shall be exclusive of and
3 in addition to any other fee, assessment, or charge made by the
4 department.

5 ~~(d)~~ (h) The taxes under this article shall be in lieu of all license fees
6 or privilege or other tax levied or assessed by this state or by any
7 municipality, county, or other political subdivision of this state. No
8 municipality, county, or other political subdivision of this state shall
9 impose any license fee or privilege or other tax upon any insurance
10 company or any of its agents for the privilege of doing an insurance
11 business therein, except the tax authorized by IC 22-12-6-5. However,
12 the taxes authorized under IC 22-12-6-5 shall be credited against the
13 taxes provided under this chapter. This section shall not be construed
14 to prohibit the levy and collection of state, county, or municipal taxes
15 upon real and tangible personal property of such company, or to
16 prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by
17 law. However, all insurance companies, foreign or domestic, paying
18 taxes in this state predicated in part on their premium income from
19 policies sold and premiums received in Indiana, shall have the same
20 rights and privileges from further taxation and shall be given the same
21 credits wherever applicable, as those set out for those companies
22 paying only a tax on premiums as set out in this section.

23 ~~(e)~~ (i) Any insurance company failing or refusing, for more than
24 thirty (30) days, to render an accurate account of its premium receipts
25 as provided in this section and pay the tax due thereon shall be subject
26 to a penalty of one hundred dollars (\$100) for each additional day such
27 report and payment shall be delayed, to be recovered in an action in the
28 name of the state of Indiana on the relation of the department of
29 insurance, in any court of competent jurisdiction, and it shall be the
30 duty of the department to revoke all authority of such defaulting

- 1 company to do business within this state, or suspend such authority
- 2 during the period of such default, in the discretion of the department.".
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1811 as introduced.)

and when so amended that said bill do pass.

Representative Fry